



Hundredth Legislature - First Session - 2007
Committee Statement
LB 323

Hearing Date: February 20, 2007
Committee On: Appropriations

Introducer(s): (Speaker Flood)
Title: Provide for transfers from the Cash Reserve Fund

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
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Vote Results:

- 9 Yes Senators Engel, Fulton, Harms, Heidemann, Kruse, Nantkes, Nelson, Synowiecki and Wightman
 - 0 No
 - 0 Present, not voting
 - 0 Absent
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Proponents:
Gerry Oligmueller

Representing:
Introducer – Governor’s Office

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes: This bill as introduced, amends section 84-612 to provide for the following transfers to/from the Cash Reserve Fund:

1. At the direction of the budget administrator, the State Treasurer shall transfer up to \$12 million from the Cash Reserve Fund to the State Employees Insurance Fund, between May 1, 2007 and June 30, 2011 for employee health insurance claims and expenses;
 2. On July 9, 2007, the State Treasurer shall transfer \$12 million from the Cash Reserve Fund to the Nebraska Capital Construction Fund, for the purchase of property within the capitol environs;
 3. On July 9, 2007, the State Treasurer shall transfer \$5 million from the Cash Reserve Fund to the Job Training Cash Fund;
 4. On July 7, 2008, the State Treasurer shall transfer \$5 million from the Cash Reserve Fund to the Job Training Cash Fund;
 5. On or before June 30, 2008, at the direction of the budget administrator, the State Treasurer shall transfer \$75 million from the Cash Reserve Fund to the General Fund; and,
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6. On or before June 30, 2011, at the direction of the budget administrator, the State Treasurer shall transfer to the Cash Reserve Fund an amount equal to the total amount transferred from the Cash Reserve Fund to the State Employees Insurance Fund between May 1, 2007 and June 30, 2011.

Explanation of amendments, if any: The amendments, which become the bill, reflect the Appropriations Committee recommendations, which makes the following changes:

1. Sections 1, 2 and 4 eliminates future transfers of interest income beginning July 1, 2007, from the Cash Reserve Fund to the Building Renewal Allocation Fund. The amendment restores interest income from the Cash Reserve Fund to be deposited to the General Fund. These sections of the amendment eliminate the future statutory earmark of interest income for the State Capitol Restoration Fund and for the Building Renewal Allocation Fund. State capitol renovation will continue as planned, except financing will come from appropriations from the Nebraska Capital Construction Fund contained in another bill and will be funded with part of the \$75 million transfer in section 3 of this amendment.
2. Section 3 includes the original transfers as contained in LB323, with one variation: The transfer in the original bill of \$75 million to the General Fund is redirected in the amendment to the Nebraska Capital Construction Fund (subsection 16), in order to finance capital construction projects scheduled for completion through FY2010-2011. The original parts of LB323 retained in the amendment are contained in subsections (12) to (15) and (18).
3. Section 3 also includes new transfers as recommended by the Appropriations Committee. They are: In subsections (17) for a transfer of \$9,590,000 to the Nebraska Capital Construction Fund (an extension of the transfer in section 3); in subsections (19) and (21) for an annual transfer of \$1,000,000 to the Microenterprise Development Cash Fund; and in subsections (20) and (22) for an annual transfer of \$250,000 to the Building Entrepreneurial Communities Cash Fund.

Senator Lavon Heidemann, Chairperson